THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) In his interactions during his visit to India, the European Union Trade Commissioner has discussed various WTO and multilateral trade issues, including opening up of Indian domestic markets.

(b) and (c) Multilateral trade issues, including opening up of domestic markets among WTO members are subject to negotiations. A coordinated and comprehensive view on such issues is taken after due consultation and consideration.

Sale of Karnataka tobacco without penalty on farmers

179. SHRIMATI PREMA CARIAPPA: Will the Minister of COMMERCE AND INDUSTRY and pleased to state:

(a) whether Government received any proposal from Government of Karnataka requesting to accord approval for the sale of entire tobacco produced in Karnataka without imposing penalty on the farmers;

(b) whether Government would consider this proposal and approve it; and

(c) if so, the steps taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) No, Sir. No such proposal has been received from Govenment of Karnataka during 2004. However, a representation has been received from Government of Karnataka pressing for a decision regarding the fixation of crop size and regularization of unauthorised barns in the State.

(b) and (c) Do not arise.

Problems of coffee growers in Karnataka

180. SHRIMATI PREMA CARIAPPA: Will the Minister of COMMERCE AND INDUSTRY and pleased to state:

(a) whether Government is aware of long standing problem of coffee growers of Karnakata;

(b) if so, whether the coffee growers met him and discussed the situation; and

(c) if so, what action has been taken by the Ministry of revive coffee production and the efforts made to get good price for coffee?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) and (b) Yes, Sir.

(c) Coffee Board is implementing a number of schemes for increasing the production and productivity of coffee and for providing support to coffee growers for development of coffee under which financial/technical assistance is provided to coffee growers. In order to improve farm productivity, quality, processing amd marketability of Indian coffee and also to reduce the credit burden of the coffee growers, the Coffee Board is operating several specific programmes providing for direct financial support/subsidy to the coffee growers during the 10th Plan. This includes provision of assistance for activities like re-planting, water augmentation and extension of support in the form of agricultural research.

In India, coffee is an export oriented commodity and its prices are largely influenced by the New York and London Exchanges for Arabica and Robusta grade. Coffee prices are determined by the market forces of demand and supply. However, in order to get good prices for coffee and to mitigate the problems of coffee growers arising from the low prices of coffee, Government of India has taken a series of steps which includes re-phasement/restructuring of loans taken by the coffee growers from commercial banks by way Special Coffee Term Loan, interest subsidy to small and large coffee growers on the repayment of working capital loans taken from financial instituions and reduction in import duty on specified machinery for coffee sector to 5% to enable the industry to improve the quality and productivity of coffee for making it globally competitive. Commercial Banks have also agreed to extend crop loans upto a maximum of Rs 50 lakhs at 9% interest so as to benefit the coffee growers having land holdings upto 60 hectares. In addition, the Coffee Board is implementing a medium term export strategy to sustain and gain market share in the key markets and also to improve the competitiveness of Indian coffee in global markets over the next few years.